

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6390

BILL NUMBER: SB 86

DATE PREPARED: Feb 27, 2002

BILL AMENDED: Feb 26, 2002

SUBJECT: Cruelty to Horses and Pet Store Regulation.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides for the licensure and regulation of pet stores by the State Board of Animal Health. Operators in violation commit a Class B misdemeanor.

Effective Date: July 1, 2002.

Explanation of State Expenditures: (Revised) The proposal requires that the costs of implementing, administering, and enforcing the pet store license be covered by fees collected.

The bill specifies the Board may hire the necessary staff required for licensing and enforcement of pet stores. As of November 2001, staff resources available for the enforcement of pet store licensing would be 8 field veterinarians (PAT 1) and 6 animal health specialists (PAT 3).

Explanation of State Revenues: (Revised) The bill would create the Pet Store Licensing Fund. The fund is to be administered by the Board. Expenses of administering the Fund are to be paid from money in the Fund. The Fund would consist of licensing fees and civil penalties. Money remaining in the Fund at the end of a state fiscal year would not revert to the State General Fund. Additionally, money in the Fund would be annually appropriated to the Board for use in carrying out the provisions of the bill. The proposal requires that the costs of implementing, administering, and enforcing the pet store license be covered by the fees collected. Based on U.S. Census data, approximately 166 pet stores in Indiana are primarily engaged in the retail sale of pets, pet foods, and pet supplies. The fee for the license is set by the bill at \$200 for a two-year cycle. Licenses issued in the second year of a cycle would be \$100. Assuming that all 166 stores become licensed, an additional \$33,200 could be collected from pet store licensing. All revenues collected from pet store licensing would be deposited into the fund.

The proposal also allows for civil penalties for violations of the bill's provisions. When such a violation has occurred, the Board may impose an administrative fine no greater than \$1,000 per violation. All fines from

civil penalties assessed under this provision would be deposited into the fund.

Under the bill, the Office of the Attorney General or the Board may file an action for an injunction to stop violators of the provisions from continuing operation.

Criminal Penalty: If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: (Revised) A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: (Revised) Indiana Board of Animal Health, Department of Natural Resources, and the Office of the Attorney General.

Local Agencies Affected: Trial courts and local law enforcement agencies.

Information Sources: Gary Haynes, Director Legal Affairs/Licensing, Indiana Board of Animal Health, (317) 227-0345; U.S. Bureau of Census; *State of Indiana HRM Detail Staffing Report Nov 2001*; *Indiana Auditor of State Revenue Trial Balance, June 30, 2001*.